

HOUSE BILL 1076

By Turner M

AN ACT to amend Tennessee Code Annotated, Title 57, Chapter 1 and Title 57, Chapter 4, to authorize the issuance of licenses to sell alcoholic beverages for consumption on the premises of certain facilities.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 57-4-102, is amended by adding the following language as a new, appropriately designated, subdivision:

() "Tavern" means a facility possessing each of the following characteristics:

(i) Is located within the jurisdictional limits of a county with a metropolitan form of government having a population of not less than five hundred thousand (500,000) according to the 2000 federal census or any subsequent federal census;

(ii) Is a public place having seating capacity of at least seventy-five (75) people at tables that is kept, used, maintained and held out to the public as a place where alcoholic beverages may be consumed on-premises, and where meals or hot and cold appetizers are offered for purchase by guests during regular hours of operation, or until 10:00 p.m., whichever is earlier. Food may be sold later than 10:00 p.m., at the discretion of the licensee;

(iii) After 10:00 p.m., all patrons must be twenty-one (21) years of age or older to enter or occupy the licensed premises. Employees or contract laborers that are working may be less than twenty-one (21) years of age;

(iv) Prior to making a sale of beer or alcoholic beverages, all adult consumers must present to the licensee, or any employee thereof that holds a permit issued pursuant to § 57-3-702, a valid government-issued document, or other form of documentation acceptable to the licensee, which includes the photograph and birth date of the adult consumer attempting to purchase beer or alcoholic beverages. The licensee

or employee shall make a determination from the information presented whether the purchaser is twenty-one (21) years of age or older. No sale of beer or alcoholic beverages shall be made to a person that does not present a document or other form of identification, with a photograph and birth date, to the licensee or server.

SECTION 2. Tennessee Code Annotated, Section 57-4-101(a), is amended by adding the following language as a new, appropriately designated subdivision:

() Tavern as defined in § 57-4-102 , subject to the further provisions of this chapter;

SECTION 3. Tennessee Code Annotated, Section 57-4-102(27)(A), is amended by deleting the second and third full sentences in their entirety and substituting instead the following language:

At least one (1) meal per day shall be served at least five (5) days a week, with the exception of holidays, vacations and periods of redecorating, and at least fifty percent (50%) of its annual gross sales must be derived from the sale of food. A restaurant shall also be eligible for licensure under this subdivision (27)(A) if the restaurant is only open for four (4) days a week, the restaurant serves at least one (1) meal a day at least four (4) days a week with the exception of holidays, vacations and periods of redecorating, and at least fifty percent (50%) of its annual gross sales must be derived from the sale of food. For purposes of calculating the percentage of food sold by a restaurant, the sale of beer and alcoholic beverages, including all non-alcoholic beverages mixed with alcoholic beverages, shall not constitute food.

SECTION 4. Tennessee Code Annotated, Section 57-1-211(a), is amended by designating the existing language as subdivision (1) and by adding the following language to be designated as subdivision (2):

(2) Each licensee that holds a tavern license under § 57-4-102 shall post, in a prominent place near the main exit to the licensed premises, in a place and manner that may be easily seen by its customers leaving the premises, a warning sign supplied by the alcoholic beverage commission, which meets the requirements of subsections (b) and (c). The sign shall contain the following warning:

If you are legally intoxicated, please call a cab or ride, or ask staff for assistance with information for a ride. It is illegal to drive after drinking more than the legal limit.

Each such sign shall have lines for the licensee to add phone numbers of cab companies or other ride services, and it shall be the duty of the licensee to include phone numbers of cab companies or other ride services on such sign. The obligation to post the foregoing sign shall not create any affirmative obligation or liability for the licensee, in contradiction of Tennessee Code Annotated, Section 57-10-101, et seq.

SECTION 5. Tennessee Code Annotated, Section 57-4-301(b), is amended by adding the following language as new, appropriately designated subdivision of (b)(1):

() Tavern, according to seating capacity, on licensed premises:

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| (i) 75-125 seats | \$1,200 |
| (ii) 126-175 seats | \$1,500 |
| (iii) 176-225 seats | \$1,600 |
| (iv) 226-275 seats | \$1,800 |
| (v) 276 seats or more | \$2,000 |

SECTION 6. Tennessee Code Annotated, Section 57-4-301(b)(2), is amended by adding the following sentence as a new third sentence:

The privilege tax collected by the county or municipality for a tavern will be based on the equivalent seating size for a restaurant, and shall be assessed at the 2003 privilege tax level.

SECTION 7. Tennessee Code Annotated, Section 57-4-201(b), is amended by adding the following language as new, appropriately designated subdivision:

() Holders of existing licenses issued pursuant to § 57-4-102 may be issued a tavern license by the Tennessee alcoholic beverages commission by paying the application fee set forth in subsection (b)(1) of this section, filing a tavern application and by passing a site inspection by the alcoholic beverage commission that demonstrates that the licensee meets the requirements of a “tavern”, as defined in § 57-4-102, provided that the ownership and other such disclosures have not changed since the original on-premises license was issued, it being the intent of this subsection that holders of valid existing licenses permitting on-premise consumption of alcoholic beverages shall not be required to fulfill any other requirements in order to be issued a tavern license.

SECTION 8. This act shall take effect upon becoming a law, the public welfare requiring it.